



A Middlesex Water Company Affiliate

REVISED

November 30, 2015

Via Delafile

Ms. Donna L. Nickerson  
Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

Re: In the Matter of the Application of Tidewater Utilities, Inc. for  
Approval Pursuant to 26 Del. C. § 215 to enter into a Long-Term  
Debt Obligation – PSC Docket No. 15-1597

Dear Ms. Nickerson:

Tidewater Utilities, Inc. has submitted an application for approval of the issuance of long-term debt pursuant to 26 Del.C. § 215 through the Delafile electronic system.. A Notice of Intent to File was previously submitted pursuant to the minimum filing requirements of the Public Service Commission of the State of Delaware. An electronic copy has been submitted by e-mail to [Delafileadmin@state.de.us](mailto:Delafileadmin@state.de.us). A payment in the amount of \$250 to satisfy the required filing fee was also submitted through the DelaFile system.

Please have this docketed as appropriate pursuant to the Rules.

If you have any question regarding this application, please contact me at (732) 638-7502.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Bruce O'Connor".

A. Bruce O'Connor  
Treasurer

Enclosures

cc: David Bonar, Delaware Public Advocate (Electronic Delivery)  
Todd A. Coomes, Esq. (Electronic Delivery)  
Sara Toner, Esq. (Electronic Delivery)  
Jay L. Kooper, Esq. (Electronic Delivery)

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*"Southern Delaware's Premier Water Company Since 1964"*

**Tidewater Utilities, Inc.** 1100 South Little Creek Road, Dover, DE 19901 [www.tuiwater.com](http://www.tuiwater.com)  
(800) 523-7224 (302) 734-7500 Tel. (302) 734-9297 Fax

**NOTE:** House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filings initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

BEFORE THE PUBLIC SERVICE COMMISSION  
OF  
THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION :  
TIDEWATER UTILITIES, INC. :  
FOR APPROVAL PURSUANT TO : PSC DOCKET NO. 15-1597  
26 Del. C. § 215 OF THE ISSUANCE OF :  
A LONG-TERM DEBT OBLIGATION :  
(FILED NOVEMBER 30, 2015) :

**TIDEWATER UTILITIES, INC. APPLICATION FOR APPROVAL  
OF THE ISSUANCE OF A LONG-TERM DEBT OBLIGATION**

APPLICANT

A. Bruce O'Connor, Treasurer  
Tidewater Utilities, Inc.  
1100 South Little Creek Road  
Dover, DE 19901  
Telephone: (732) 638-7502  
Facsimile: (732) 218-1126  
E-Mail: [aboconnor@middlesexwater.com](mailto:aboconnor@middlesexwater.com)

COUNSEL FOR TIDEWATER  
UTILITIES, INC.

Todd A. Coomes, Esquire  
Richards, Layton & Finger, P.A.  
One Rodney Square  
920 King Street  
Wilmington, DE 19801  
Telephone: (302) 651-7507  
Facsimile: (302) 651-7701  
E-mail: [coomes@rlf.com](mailto:coomes@rlf.com)

November 30, 2015

BEFORE THE PUBLIC SERVICE COMMISSION  
OF  
THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION	:	
TIDEWATER UTILITIES, INC.	:	
FOR APPROVAL PURSUANT TO	:	PSC DOCKET NO. 15-1597
26 <u>Del. C.</u> § 215 OF THE ISSUANCE OF	:	
A LONG-TERM DEBT OBLIGATION	:	
(FILED November 30, 2015)	:	

**TIDEWATER UTILITIES, INC. APPLICATION FOR APPROVAL  
OF THE ISSUANCE OF A LONG-TERM DEBT OBLIGATION**

Pursuant to Section 215(a) (2) of Title 26 of the Delaware Code, Tidewater Utilities, Inc., a Delaware corporation ("Tidewater"), respectfully requests that the Public Service Commission of the State of Delaware (the "Commission") approve the issuance of a long-term debt obligation in the principal amount of up to \$1,200,000, with a fixed interest rate from the Delaware Drinking Water State Revolving Fund (the "SRF Loan").

APPLICANT'S NAME AND ADDRESS

1. The name and address of Applicant is:

A. Bruce O'Connor, Treasurer  
Tidewater Utilities, Inc.  
1100 South Little Creek Road  
Dover, DE 19901  
Telephone: (732) 638-7502  
Facsimile: (732) 638-7515  
E-Mail: [aboconnor@middlesexwater.com](mailto:aboconnor@middlesexwater.com)



Mailing Address:

A. Bruce O'Connor, Treasurer  
Tidewater Utilities, Inc  
C/O 1500 Ronson Road  
P.O. Box 1500  
Iselin, New Jersey 08830

2. Tidewater, a Delaware corporation, has provided water service to the public since 1964. Tidewater is presently providing public water service to approximately 40,000 customers in New Castle, Kent and Sussex Counties.

3. Tidewater continues to upgrade and strengthen its existing systems for water quality and fire protection as well as replace older sections of its distribution system. Evidence of this was presented to this Commission as part of Tidewater's most recently completed base rate filing (PSC Docket No. 13-466 Order No. 8611).

4. From January 1, 2011 through September 30, 2015, Tidewater has invested approximately \$43.9 million in additional utility plant infrastructure. Tidewater's capital commitment will continue through the remainder of 2015 and 2016 with estimated construction expenditures of \$10.3 million expected to be incurred by December 31, 2016.

APPLICANT'S ATTORNEY'S NAME AND ADDRESS

5. Applicant's attorney is:

Todd A. Coomes, Esquire  
Richards, Layton & Finger, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, DE 19801  
Telephone: (302) 651-7507  
Facsimile: (302) 651-7701  
E-mail: [coomes@rlf.com](mailto:coomes@rlf.com)

OWNERSHIP OF VOTING STOCK OF APPLICANT

6. One hundred percent of the voting stock of Tidewater is owned by Middlesex Water

Company, a New Jersey corporation, which is an investor-owned, regulated water utility traded on NASDAQ.

#### DETAILED DESCRIPTION OF THE DEBT TO BE ISSUED

7. In connection with the SRF Loan, Tidewater will enter into a long-term debt obligation to the Delaware Drinking Water State Revolving Fund (by and through the Delaware Department of Health and Social Services) (the "Fund") in order to finance capital improvements to the Tidewater's water system, specifically the replacement of the existing water distribution system and the installation of a fire system at the Camelot Mobile Home Park located in Rehoboth Beach, Delaware. The SRF Loan will be in the principal amount of up to \$1,200,000 and will carry a fixed annual interest rate of 2.0%. The term of the loan is twenty (20) years. Tidewater will be obligated to pay the principal of, and interest on, the loan, as prescribed by the Fund Binding Commitment Letter, a copy of which is attached to this Application and marked as Exhibit A.

#### PROPOSED USE OF PROCEEDS

8. The proceeds will be used to fund the replacement of the existing water distribution system and the installation of a fire system at the Camelot Mobile Home Park located in Rehoboth Beach, Delaware pursuant to an order issued by the local Fire Marshall.

#### SELECTION OF TRANSACTION

9. Part of Tidewater's financing strategy is to obtain long-term debt financing, when necessary, with a minimum final maturity of 20 years at a favorable interest rate. At this time, Tidewater does not envision the need to issue additional long-term debt as part of its financing requirements over the next three years.

10. The SRF Loan offering is a low-interest, attractive long-term debt financing that Tidewater has used in the past.

#### SECURITIES AND EXCHANGE COMMISSION FILINGS

11. Tidewater is not required to submit filings with the Securities and Exchange Commission. Middlesex submits Form 10-K and 10-Q to the Securities and Exchange Commission and the latest filings are included under the Exhibit B tab of this Application.

#### REGISTRATION STATEMENT

12. No Registration Statement or Prospectus will be issued.

#### OPINION OF COUNSEL

13. Exhibit C contains the proposed Opinion of Counsel. A signed opinion will be provided when available.

#### OTHER DOCUMENTS

14. Exhibit A contains a copy of the executed Fund Binding Commitment Letter for the SRF Loan.

#### EXHIBIT LISTING

- A. Fund Binding Commitment Letter.
- B. Middlesex Water Company's 2014 Form 10-K and 2015 Third Quarter Form 10-Q.
- C. Proposed Opinion of Counsel.
- D. Tidewater Board of Directors Consent to Borrow
- E. Application Letter
- F. Schedules:
  - 1. Capitalization Ratios, Actual and Proforma, as of September 30, 2015.
  - 2. Rate of Return, Actual, Proforma, and Annualized, as of September 30, 2015.
  - 3. Fixed Charged Coverage Ratios for the 12 months ended September 30, 2015.

15. Tidewater respectfully requests that the Commission approve the SRF Loan.



A. Bruce O'Connor  
Treasurer  
Tidewater Utilities, Inc.  
1100 South Little Creek Road  
Dover, DE 19901  
Telephone: (732) 638-7502  
Fax: (732) 218-1126  
E-mail: [aboconnor@middlesexwater.com](mailto:aboconnor@middlesexwater.com)

Dated: November 30, 2015

STATE OF NEW JERSEY            )  
  )ss  
COUNTY OF MIDDLESEX        )

Sworn to and subscribed before me this 30<sup>th</sup> day of November, 2015, by A. Bruce O'Connor.

\_\_\_\_\_  
Notary Public

Name: Ada N. Soto

My Commission Expires: April 6, 2019

[Notary Seal]

**ADA N. SOTO**  
**NOTARY PUBLIC OF NEW JERSEY**  
**MY COMMISSION EXPIRES APRIL 6, 2019**